

COMFORT INTECH LIMITED

19th Annual Report 2012-13



BUILD YOUR FUTURE WITH COMFORT

BOARD OF DIRECTORS :

Mr. Anil B Agrawal	- Chairman & Managing Director
Mr. Bharat N Shiroya	- Executive Director
Mr. Janak G Mehta	- Director
Mr. Jugal C Thacker	- Director
Mrs. Annu Agrawal	- Director
Mr. Anand Agarwal	- Director

Wholly Owned Subsidiary Company in UAE :

M/s. Finsolution Services FZE
P.O.Box : 31291
Al-Jazeera Al-Hamra
RASAL Khaimah, U.A.E

COMPANY SECRETARY :

Mrs. Rama Devi Gundeti

STATUTORY AUDITORS :

M/s. Bansal Bansal & Co.,
Chartered Accountants,
120, Sanjay Building No. 6,
Mittal Industrial Estate
Andheri Kurla Road, Andheri (E)
Mumbai – 400 069.

BANKERS :

Union Bank of India
Axis Bank
Punjab National Bank
IDBI Bank
HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS :

Bigshare Services Pvt. Ltd
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),
Mumabi –400 072.
Tel : 91-22-40430200
Fax :91-22-28475207
Website : www.bigshareonline.com

REGISTERED OFFICE:

106, Avkar, Alganani Nagar,
Kalaria, Daman– 369 210 (U.T.)

CORPORATE OFFICE:

A-301, 3rd Floor, Hetal Arch,
S. V. Road, Malad (West),
Mumbai – 400 064.
Tel : 91-22-28449765/66
Fax: 91-22-28892527
Email : info@comfortintech.com
Website: www.comfortintech .com

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NINETEENTH ANNUAL GENERAL MEETING

Day and Date	Saturday, August 31, 2013
Time	4.30 P.M
Venue	Cidade De Daman (Hotel Sea View Pvt. Ltd),. Devka Beach, Nani Daman 396210 (U.T.)

NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of COMFORT INTECH LIMITED will be held at Cidade De Daman (Hotel Seaview Pvt. Ltd), Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU) on Saturday, 31st August, 2013 at 4.30 P.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2013 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To declare the dividend on Equity shares
3. To appoint a Director in place of Mrs. Annu Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
4. To re-appoint M/s BANSAL BANSAL & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
"RESOLVED THAT the Salary and other allowances to be paid to Mr. Bharat Shiroya, Executive Director be increased as under:
 - 1) Salary from ₹ 8,40,000/- to ₹ 8,64,000/- per annum.Other benefits as per the rules of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
"RESOLVED THAT the Salary and other allowances to be paid to Mr. Anil B Agrawal, Managing Director be increased as under:
 - 1) Salary from ₹ 9,00,000/- to ₹ 18,00,000/- per annum.Other benefits as per the rules of the Company."

By Order of the Board

Sd/-
RAMA DEVI GUNDETI
Company Secretary

Dated : 18.07.2013

Place : Mumbai

Important Communique to Members-Green Initiative in Corporate Governance :

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the RTA/Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company / RTA while Members holding shares in demat form can intimate / update their email address to their respective Depository Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 5 and 6 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 27.08.2013 to 31.08.2013 (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Brief Profiles of the Director who is proposed to be appointed / re-appointed is given as Additional Information on Directors, which part of the Notice.
8. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.
9. The Company has made necessary arrangements for the Members to hold their shares in dematerialized form. Those members who are holding shares in physical form are requested to dematerialize the same by approaching any of the Depository Participants (DPs). In case any member wishes to dematerialize his/her shares and needs any assistance, he/she may write to the Company Secretary at the Corporate office of the company.

10. Payment of dividend through ECS/NECS :

All companies are mandatorily required to use ECS/NECS facility wherever available for distributing dividends, wherein the dividend amount would be directly credited to Member's respective bank accounts.

The Members, holding shares in dematerialized form are advised to intimate the bank details/change in bank details to their respective DPs. Those Members who are holding their shares in physical form are advised to send bank details/changes therein, if any, to the RTA or to the company. In case of absence of ECS/NECS facility, the Company will send the dividend pay orders to the registered address of the Members.

To enable the Company to print the bank account details on the dividend pay orders as a security measure for the credit to the correct recipient, members are required to update their bank account details with their respective DPs, RTA or the Company.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.

The following Explanatory Statement sets out the material facts relating to the business under items 5 and 6 of the accompanying Notice:

Item No. 5

Mr. BHARAT SHIROYA was appointed as Executive Director of the Company in the Third Annual General Meeting and also re-appointed for the next 5 years in the meeting of the Board of Directors held on 4th August 2012.

The main terms of appointment of Mr. Bharat Shiroya, as Executive Director are to be changed as under:

1. Salary from ₹ 8,40,000/- to ₹ 8,64,000/- per annum.

Other benefits as per the rules of the Company.

Yours Directors recommend the resolution for the approval of the members.

Mr. Bharat Shiroya is interested in the resolution as it relates to his appointment.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

Item No. 6

Mr. ANIL B AGRAWAL was reappointed as Managing Director of the Company in the Board Meeting held on 9th February 2013 for the period of 5 years.

The main terms of reappointment of Mr. Anil B Agrawal, as Managing Director are to be changed as under:

- 1 Salary from ₹ 9,00,000/- to ₹ 18,00,000/- per annum.

Other benefits as per the rules of the Company.

Yours Directors recommend the resolution for the approval of the members.

Mr. Anil B Agrawal and Mrs. Annu Agrawal (spouse of Mr. Anil Agrawal) are interested in the resolution as it relates to his appointment.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

By Order of the Board

**Sd/-
RAMA DEVI GUNDETI
Company Secretary**

Dated : 18.07.2013

Place : Mumbai

Registered Office:

106, Avkar, Algani Nagar,
Kalaria, Daman - 396210

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

Name : Mrs. Annu Agrawal

Age : 46

Qualification : B.A (Honrs)

Brief Profile : She is a graduate and has 11 years experience in the stock market. She is on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.

Shareholding in the Company : 11655383 Equity shares of Re. 1/- each aggregating to 3.643%

DIRECTORS' REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Nineteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2013. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

(₹ In Lacs)

PARTICULARS	STANDALONE YEAR ENDED 31 ST MARCH 2013	STANDALONE YEAR ENDED 31 ST MARCH 2012	CONSOLIDATED YEAR ENDED 31 ST MARCH 2013
Income from Operations	1426.57	1610.64	1538.24
Profit Before Depreciation and Taxes	261.65	303.71	354.35
Less: Depreciation	(10.09)	(11.23)	(10.10)
Less : Provision for			
(a) Income tax	(80.97)	(81.00)	(81.07)
(b) Deferred tax	1.79	(3.32)	1.80
Income Tax paid of Earlier years	0.17	--	0.17
Profit for the Year	172.56	208.16	265.15
Add: Brought forward from last year	308.76	216.60	308.77
Distributable Profits	481.32	424.76	573.92
Appropriated as under :			
Transfer to Special Reserve	(34.51)	(41.63)	(34.51)
Proposed Equity Dividend	(63.98)	(63.98)	(63.98)
Tax on Distributed Profits	(10.87)	(10.38)	(10.87)
Balance Carried Forward to Balance sheet	371.95	308.76	464.56

FINANCIAL HIGHLIGHTS:

Consolidated Revenues :

The total consolidated income of the Company for the FY 2012-13 comprises operating revenues of ₹ 1527.72 Lacs and other income of ₹ 10.52 lacs for the current year.

Standalone Revenues:

During the fiscal 2013, the gross operational income of the Company stood at ₹ 1426.57 Lacs as compared to previous fiscal of ₹ 1610.64 Lacs.

Consolidated Profits :

Profit before Tax (PBT) stood at ₹ 344.25 Lacs. Profit after Tax (PAT) stood at ₹ 265.15 Lacs.

Standalone Profits :

Profit after tax for the fiscal 2013 has declined to ₹ 172.56 lacs as compared to the previous year 208.16 lacs

Your company already intimated you regarding wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates. During the fiscal 2013, the gross operational income of the subsidiary stood at AED 773,700 and Operating Profit for the fiscal 2013 stood at AED 643,125.

Further during the year M/s. Luharuka Tradelink Private Limited, an Indian Company became the subsidiary of your company with effect from 1st January, 2013.

The net worth of your company at the year end stands at ₹ 9033.76 Lacs which translated to a book value of ₹ 2.82/- per share of face value of Re. 1/-.

DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2012-13 on Equity Shares of Re.1/- each at ₹ 0.02 paise per share equivalent to 2% aggregating to ₹ 63,98,762/- (Rupees Sixty three Lacs Ninety Eight thousand Seven Hundred and Sixty two Only)

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mrs. Annu A Agrawal, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

A brief resume and other details, as stipulated under the Listing Agreement for the above director seeking re-appointment is given as Additional Information on Directors which forms part of the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-2013 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

COMMENTS ON AUDITOR'S REPORT:

As regards not making provision for retirement benefits of employees, the same has not been done in view of the meager staff strength.

STATUTORY AUDITORS:

The retiring auditors, namely M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting and are seeking re-appointment. They have confirmed that their appointment if made, at the Annual General Meeting, will be within the limits prescribed under sub section (1B) of Section 224 of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of the Listing Agreement. Members are requested to consider their reappointment.

SUBSIDIARY COMPANIES :

Your company has already intimated you regarding 100% wholly owned subsidiary in the name of Finsolution Services FZE, in United Arab Emirates which was incorporated on 25th January 2012

Further during the year M/s. Luharuka Tradelink Private Limited, an Indian Company became the subsidiary of your company with effect from 1st January 2013.

The details pertaining to financials of Subsidiary Companies have been given elsewhere in this report.

PARTICULARS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956:

Pursuant to the provisions of Section 212 of the Companies Act, 1956 (Act), documents in respect of the various subsidiaries Viz., Directors Report, Auditor's Report, Balance Sheet and profit and Loss Account are required to be attached to the Balance Sheet of the holding company. However, in terms of the provisions of Section 212(8) of the Act, the Government of India, Ministry of Corporate Affairs, has vide letter No. 47/15/2011-CL-III dated 27th January 2011 granted exemption from the provisions of Section 212(1) of the Act. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries of the Company. However, the Company will make available the audited annual accounts and related detailed information of the subsidiaries to the shareholders upon request in accordance with the applicable law. A statement pursuant to the provisions of Section 212(1)(e) of the Act appears elsewhere in the Annual Report.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits as on 31st March 2013 so as to attract the provisions of Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of the Deposits) Rules, 1975 as amended from time to time.

CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the Accounting Standards AS-21 on Consolidated Financial Statements read with the Accounting Standard AS-23 on Accounting for investments in Associates, the Audited Consolidated Financial Statements are provided in the annual report.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis for the year 2012-13 and a detailed report on Corporate Governance, as required under Clause 49 of the Listing agreement executed with the Stock Exchanges, are given in separate sections forming part of the Annual Report.

A Certificate from Statutory Auditors of the company, M/s. Bansal Bansal & Co., confirming compliance with the conditions of Corporate Governance stipulated in Clause 49 is annexed to the report on Corporate Governance.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A);

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1988, as amended are not applicable to the company, as there are no employees whose remuneration is in excess of the limits prescribed.

LISTING:

The Equity Shares of the Company are at presently listed with the Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited. The company is regular in payment of listing fee.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing agreement and requirements of Companies Act, 1956, the Cash flow Statement for the year ended 31.03.2013 is annexed here to.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the Annexure – 1.

SYSTEMATICALLY IMPORTANT COMPANY :

Your company total assets size has crossed 100 crores and as per the RBI norms your company became Systematically Important Company and our company regularly complying the various compliances with RBI accordingly.

ACKNOWLEDGEMENT:

Your directors place on record their gratitude for the continued co-operation and guidance extended by the Securities and Exchange Board of India, Reserve bank of India, Bombay Stock Exchange Limited and take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD

sd/-

ANIL AGRAWAL

Chairman & Managing Director

Place : Mumbai

Dated: 18.07.2013

ANNEXURE-1 TO DIRECTORS' REPORT:

ENERGY CONSERVATION	:	NA
TECHNOLOGY OBSERVATION	:	NA

FOREIGN EXCHANGE EARNINGS AND OUT GO:

	<i>Amount in ₹</i>
Foreign exchange used	188243.00
Foreign exchange earned	NIL

REPORT ON CORPORATE GOVERNANCE

1. OUR PHILOSOPHY ON CORPORATE GOVERNANCE

Comfort is committed to provide fair, transparent and equitable treatment to all its stakeholders. For us Corporate Governance is not only a set of rules that define the relationship between the stakeholders and the management of a company but it is the way the company operates. Corporate Governance is both the structure and the relationship which determine corporate direction and performance.

At comfort, we have always sought to be a value-driven organization, where our values direct our growth and success.

- ❖ **Integrity:** Integrity is fundamental to our business. We adhere to moral and ethical principles in everything we do as professionals and corporate citizens. Our reputation, based on our high standards of integrity, is invaluable.
- ❖ **Team work:** We believe extensive teamwork is what makes it possible for us to work together towards a common goal. We value and respect each individual's commitment to group effort.
- ❖ **Client Focus :** We always put the interest of our clients before our own. We understand our client's needs, seek new opportunities for them and deliver unique solutions as per their expectations. The success of our clients is the biggest reward for us.
- ❖ **Innovation :** We understand our client's needs and develop solutions for the most complex or the simplest, the biggest or the smallest transactions, whether for individuals, corporations or institutions. Creativity and innovation are among the key essentials for everything we do. We encourage new ideas which help us capture unique opportunities.
- ❖ **Implementation :** Our expertise, experience and continuous focus on the quality of execution ensure effective implementation of our strategies.
- ❖ **Performance :** We believe in development of our people and continuously hone our skills, setting higher targets of performance for ourselves. We strive to attract, develop and retain the best talent. We recognize and reward talent based on merit.
- ❖ **Partnership:** Our relationship with all our stakeholders reflect our spirit of partnership. Clients see us as trusted advisors, shareholders see us as partners and employees see us as family. We respect, trust and support all our stakeholders.

We believe in demonstrating high level of accountability, maintaining high standards of transparency, timely disclosures and dissemination of price sensitive information, ensuring thorough compliance with all applicable laws and regulations and conducting our business in an ethical manner.

CLAUSE 49

Clause 49 of the Listing Agreement entered between a company and the Stock Exchanges is a benchmark for the compliance practices and rules required to be followed by all listed companies. Clause 49 is the baseline for good governance standards. At Comfort, we not only adhere to the prescribed corporate governance standards and practices as given in Clause 49 but we constantly strive to adopt the emerging best practices.

Corporate Governance has always been an integral and indispensable practice at Comfort in conducting its business for more than 18 years. We believe that Corporate Governance is a journey towards sustainable value creation and is always an upward moving target.

We follow high standards of Corporate Governance practices which inter-alia include:

- The Board of the Company comprises majority of Non executive Directors representing around 67% of the total composition of the Board.
- Out of the six directors on the Board, three are independent directors which represents around 50% of the total composition of the Board.
- Consistent monitoring and improvement of the human and physical resources.

- Introducing regular checks and audits and continuous improvement in already well define systems and procedures.
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

The Company Secretary plays a very vital role in the implementation of the best corporate governance processes. She ensures that the Board procedures are followed and reviewed regularly. She also ensures that all relevant information/ documents/ details are made available to all the directors and Senior Managerial personnel (who are invited to attend the meeting) for effective decision making at all Board/Committee meetings. All the Directors and Senior Managerial Personnel have access to the advice and services of the Company Secretary.

2. BOARD OF DIRECTORS ("THE BOARD"):

Based on the size of the Company, complexity and nature of the Company's business, the Board of the Company consists of appropriate composition, size, varied expertise and commitment to discharge it responsibilities and duties.

COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31.03.2013 :

The Board of Directors of the Company comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors. The Board of Directors of the Company consists of Six Members. The Company has Two "Executive" and four "Non-Executive Directors."

Mr. Anil B Agrawal.	-	Chairman & Managing Director& Promoter
Mrs. Annu A Agrawal.	-	Non-Executive & Promoter Director
Mr. Bharat N Shiroya.	-	Executive Director & Non Independent
Mr. Janak G Mehta.	-	Non-Executive Director & Independent
Mr. Jugal C Thacker	-	Non-Executive Director & Independent
Mr. Anand H Agarwal	-	Non-Executive Director & Independent

A) Brief Profile of Directors

A brief profile of all the Directors of the Company, the nature of their expertise in specific functional areas, the names of the public companies (other than foreign companies, Section 25 companies and private companies that are not subsidiaries of a public company) of which they hold directorships in the company as on March 31, 2013 are given below

- Mr. Anil B Agrawal**, aged 51 years is the Chairman & Managing Director of our Company. He is a Chartered Accountant. He has more than 20 years of experience in the field of finance, capital markets and related activities. He is one of the founder promoters and Managing Director & Chairman of our Company and presently involved in day to day affairs including future planning, finances control, man- management, and in strategic decision making of our Company. He is also on the board of the trustees of Seth Govindaram Charitable trust with activities in Mumbai.

Mr. Anil B Agrawal is on the Board of the following other public companies :

- Comfort Securities Limited
- Comfort Fincap Limited
- Comfort Commotrade Limited
- Blend Financial Services Limited
- Liquors India Limited

Mr. Anil B Agrawal held **994245** equity shares in the Company as on March 31, 2013.

- Mr. Bharat N Shiroya** aged 43 years is the Executive Director of our Company. He is a graduate by qualification from Mumbai university and M.B.A from National Institute of Management. He is holding the office of Executive Director of our Company for more than 15 years. He has experience in securities and financial services and responsible for our Company's dealings in shares and investment portfolio.